

PagesJaunes Groupe revenues: decrease of 0.9% in first nine months of 2009

Key figures:

- Revenues down 0.9% to €867.0 million
- Internet revenues up 8.4% to €371.7 million (42.9% of total Group revenues)
- Confirmation of expected 2% to 5% decrease in 2009 revenues and gross operating margin of between €500 million and €540 million

On the announcement of PagesJaunes Groupe's revenues for the third quarter of 2009, Jean-Pierre Remy, Chief Executive Officer, said:

*"In **difficult market conditions**, PagesJaunes Groupe has continued to invest in pursuit of its objective of being the **benchmark and standard-setter for local information and business search services** in France and increased its market share. Our strategy is to grow the audience for our fixed and mobile Internet platforms, to maintain a high return on investment for customers using our advertising products and to enrich our content. As at 30 September 2009, the audience for the Group's fixed and mobile Internet services in France had grown by 7.1% over a rolling 12-month period, including growth of +73.5% on mobile handsets, and Internet revenues made up almost 43% of consolidated revenues in the first nine months of 2009."*

Ghislaine Mattlinger, Chief Financial Officer, said:

*"Third-quarter consolidated revenues, for which the sales prospecting took place at the height of the economic crisis in early 2009, declined by 5.3% on a comparable publication basis. At the end of September 2009, consolidated revenues were consequently down by 0.9%. This slowdown is expected to intensify in the fourth quarter of 2009, in line with our forecasts. **We therefore confirm our expectations of a decrease in revenues of between 2% and 5% and a gross operating margin of between €500 million and €540 million.**"*

Consolidated revenues of PagesJaunes Groupe

(in € millions)	9 months 2008	9 months 2009	Change
PagesJaunes in France	816.9	819.7	+0.3%
International & Subsidiaries	64.1	53.2	-17.0%
Inter-segment	(6.0)	(5.9)	-1.7%
Group total	875.0	867.0	-0.9%
Of which Internet	343.0	371.7	+8.4%
As % of total revenues	39.2%	42.9%	3.7ppt

I. Revenues steady at end of September 2009, thanks to growth in Internet activities

The revenues of the PagesJaunes in France segment advanced 0.3% to €819.7 million in the first nine months of 2009, due to growth in Internet revenues¹ (+9.0%) and revenues from telephone directory enquiry services (+11.6%):

Revenues of the PagesJaunes in France segment

(in € millions)	9 months 2008	9 months 2009	Change
Printed directories	457.3	432.8	-5.4%
Pagesjaunes.fr, annoncesjaunes.fr and sites	314.4	344.2	+9.5%
Telephone directory enquiry services (118008)	26.7	29.8	+11.6%
Others (including Minitel)	18.4	12.9	-29.9%
PagesJaunes in France	816.9	819.7	+0.3%
Of which Internet (*)	323.5	352.7	+9.0%
As % of segment revenues	39.6%	43.0%	3.4ppt

* including Pagespro.com

- Revenues from printed directories amounted to €432.8 million, a decrease of 5.4% compared to 2008, due to a contraction of advertisers' budgets in a difficult economic environment. **Internet businesses² advanced 9.0% in the first nine months of 2009. This revenue growth is only partly representative of the growth expected in full-year 2009.** The positive effect of the locked-in growth from the price rises implemented for the 2008 edition, which sustained growth in the first two quarters of 2009, disappeared completely in the third quarter of 2009. The growth of Internet revenues consequently amounted to 1.6% in the third quarter of 2009. It has thus moved back to the average rate of growth expected in the Internet advertising market as a whole in 2009.
- In view of the time lag effect inherent in PagesJaunes' sales prospecting and production cycle, **the impact of the economic deterioration – particularly in the advertising market – observed since the beginning of 2009 weighed on PagesJaunes' third-quarter revenues** (-3.8% on a comparable publication basis). This deterioration is being felt essentially in average revenue per advertiser and is expected to intensify further in the fourth quarter of 2009.
- **Against a background of a substantial deterioration in the situation of small businesses, new customer recruitment**, although down compared to the record level of 2008, is at levels comparable to those seen in 2005/2006. This fact, coupled with the firmness of the retention rate, has made it possible to maintain PagesJaunes' advertiser base.

¹ Revenues of pagesjaunes.fr, annoncesjaunes.fr, Internet sites and pagespro.com.

² The Internet businesses now include the online small ads business previously classified in the International and Subsidiaries segment. The data as at 30 September 2008 have been reclassified accordingly.

- The Group's fixed and mobile Internet sites in France³ recorded 1,161 million visits⁴ over a rolling 12-month period as at 30 September 2009, up 7.1% compared to 30 September 2008. Pagesjaunes.fr set a new audience record in September 2009, with 80.9 million visits. On mobile Internet, pagesjaunes.mobile.fr achieved a record rise in its audience over a rolling 12-month period to 22.9 million visits, up 73.5% compared to 2008. The PagesJaunes application, which is available on more than 170 handsets, has now been installed on one in every two iPhones, with one million downloads since it was launched.

The revenues of the International & Subsidiaries segment amounted to €53.2 million in the first nine months of 2009, down 17.0%. The segment was affected by the decline in revenues at QDQ Media and in the direct marketing and geographic services businesses:

Revenues of the International & Subsidiaries segment

(in € millions)	9 months 2008	9 months 2009	Change
BtoC directories	39.9	32.2	-19.3%
of which QDQ Media	29.2	22.4	-23.3%
Internet advertising representation	3.2	3.5	9.4%
Direct marketing and geographic services	20.9	17.5	-16.3%
International & Subsidiaries	64.1	53.2	-17.0%
of which Internet (*)	23.5	22.9	-2.6%
As % of segment revenues	36.7%	43.0%	6.3ppt

* Internet revenues of QDQ Media, Editus Luxembourg and Edicom, as well as revenues of Horyzon Média and Mappy

- QDQ Media has completed a restructuring plan, which involved the redeployment of its commercial organisation and its activities with the aim of lowering its breakeven point, focusing its investments on regions and activities offering the greatest potential. In a continued difficult market environment, QDQ Media recorded a 23.3% decline in revenues in the first nine months of 2009, but is **maintaining growth of almost 7% in its Internet revenues**.
- The Horyzon Média Internet advertising representation business billed revenues of €11.4 million. That corresponds to a net revenue contribution of **€3.5 million** in the first nine months of 2009, comprising representation commissions, and represents **growth of 9.4%** compared to 2008. The increase in CPC⁵ activity more than offset the decrease in CPM⁶ activity, in line with the trends observed in the market.

³ Pagesjaunes.fr on fixed and mobile Internet, annoncesjaunes.fr, pagespro.com and mappy.com.

⁴ Source: Cybermétrie - Médiamétrie / eStat.

⁵ Cost per click.

⁶ Cost per mille.



- Revenues from **direct marketing** and **geographic services**, for which the customer base essentially comprises major accounts, fell 16.3% in the first nine months of 2009 to **€17.5 million**.

II. Trend in the financial situation

The net financial debt⁷ of PagesJaunes Groupe, excluding the fair value of financial instruments and loan issue expenses, amounted to **€1,941.0 million** as at **30 September 2009**, compared to €1,891.5 million as at 31 December 2008 and €1,904.9 million as at 30 September 2008.

- **PagesJaunes Groupe's bank debt**, amounting to €1,950 million, is due in full at the end of 2013. PagesJaunes Groupe also has a credit line of around €400 million granted by a diversified syndicate of banks and expiring at the end of 2013.
- **PagesJaunes Groupe's bank debt** is 88% hedged against rises in interest rates by means of a portfolio of interest rate swaps and collars maturing at the end of 2011, and 46% by forward swaps maturing at the end of 2013.
- **As at 30 September 2009, the Group has headroom of more than 20% to its covenant on its financial leverage ratio**, which specifies a maximum of 4.40x (ratio of net debt, excluding the fair value of hedging instruments and loan issue expenses, to an aggregate close to GOM over a rolling 12-month period) **and more than 75% to its covenant on its interest coverage ratio**, which specifies a minimum of 3.50x (ratio of an aggregate close to GOM over a rolling 12-month period to net interest expense, excluding the change in the fair value of hedging instruments, amortisation of loan issue expenses and net discounting costs).

III. Outlook

PagesJaunes Groupe confirms its financial targets for 2009:

- PagesJaunes Groupe is expected to record a **decline in its consolidated revenues of between -2% and -5%** in an advertising market that is expected to contract to a much greater extent, confirming the continued improvement in its share of the advertising market thanks to an Internet contribution which will represent over 40% of its total revenues in 2009.
- PagesJaunes Groupe is aiming for a **gross operating margin of between €500 million and €540 million**, maintaining its current investments in its fixed and mobile Internet businesses while further strengthening its cost control.
- PagesJaunes Groupe will continue to operate a **policy of high dividend distribution**⁸.

⁷ Net financial debt corresponds to the total gross financial debt minus cash and cash equivalents.

⁸ The distribution target in no way constitutes a commitment on the part of PagesJaunes Groupe. Future dividends will depend on the Group's results, its financial situation and any other factor which the Board of Directors and the shareholders of PagesJaunes Groupe deem relevant.



About PagesJaunes Groupe

PagesJaunes Groupe is the leader in France in local advertising and search services, generating consolidated revenues of almost €1.2 billion in 2008. PagesJaunes' services can be accessed across a range of platforms, including printed directories (the PagesJaunes directory), directory enquiry services by telephone and SMS (118008) and the Internet. PagesJaunes Groupe's fixed and mobile Internet sites, primarily pagesjaunes.fr, mobile.pagesjaunes.fr, mappy.com and annoncesjaunes.fr, are visited by one Internet user in two in France each month.

PagesJaunes Groupe has a sales force of more than 2,500 sales advisers in France and Spain and provides a comprehensive range of advertising products for its 780,000 local and national advertising customers. PagesJaunes Groupe is one of the three largest Internet advertising representatives in France. With over €470 million of Internet revenues in 2008, representing almost 40% of its consolidated revenues, PagesJaunes Groupe ranks first in Europe in terms of Internet advertising revenues.

PagesJaunes Groupe is listed on NYSE Euronext Paris – compartment A (PAJ). Information on PagesJaunes Groupe is available at <http://www.pagesjaunesgroupe.com>.

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This document contains forward-looking statements. Although PagesJaunes Groupe believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: the effect of competition; PagesJaunes usage level; the success of the investments of the PagesJaunes Group in France and abroad; the effects of the economic situation.

A description of the risks borne by the PagesJaunes Group appears in section 4 "Facteurs de risques" of the "Document de Référence" of PagesJaunes Groupe filed with the French financial markets authority (AMF) on 17 March 2009.

The forward-looking statements contained in this document apply only from the date of this document, and PagesJaunes Groupe does not undertake to update any of these statements to take account of events or circumstances arising after the date of the said document or to take account of the occurrence of unexpected events.

All the accounting data are presented in unaudited consolidated form.



Appendix: Consolidated revenues

(in € millions)	Third quarter 2008	Third quarter 2009	Change 2009 / 2008	Change on a comparable publication basis	9 months 2008	9 months 2009	Change 2009 / 2008	Change on a comparable publication basis
Printed directories	174.5	157.8	-9.6%	-7.6%	457.3	432.8	-5.4%	-5.4%
Pagesjaunes.fr, annoncesjaunes.fr and sites	111.5	113.5	1.8%	1.8%	314.4	344.2	9.5%	9.5%
Telephone directory enquiry services 118008	9.5	10.1	6.3%	6.3%	26.7	29.8	11.6%	11.6%
Other revenues	6.4	5.4	-15.6%	-15.6%	18.4	12.9	-29.9%	-29.9%
Total PagesJaunes in France	301.9	286.8	-5.0%	-3.8%	816.9	819.7	0.3%	0.3%
B to C directories	17.0	14.2	-16.5%	-25.7%	39.9	32.2	-19.3%	-19.3%
of which QDQ Media	9.7	7.8	-19.6%	-34.5%	29.2	22.4	-23.3%	-23.3%
Internet advertising representation	0.7	0.9	28.6%	28.6%	3.2	3.5	9.4%	9.4%
Direct marketing and geographic services	6.4	5.3	-17.2%	-17.2%	20.9	17.5	-16.3%	-16.3%
Total International & Subsidiaries	24.0	20.4	-15.0%	-22.1%	64.1	53.2	-17.0%	-17.0%
Inter-segment	(1.8)	(1.9)	5.6%	5.6%	(6.0)	(5.9)	-1.7%	-1.7%
Group total	324.1	305.3	-5.8%	-5.3%	875.0	867.0	-0.9%	-0.9%